

RISK	TIME HORIZON AND EXPOSURE	MANAGEMENT PROCESS
<b>ACUTE HAZARD — WINDSTORMS/HURRICANES</b> <p>The increasing severity, intensity, and frequency of windstorms, such as hurricanes and tornadoes, could lead to increased property damage, increased operating and capital costs, increased insurance premiums, interruptions to business operations and decreased property value.</p>	<b>SHORT TO LONG TERM*</b> <p>Our analysis using the SSP2-4.5 scenarios found that 14% of our portfolio is at risk from windstorms/hurricane damage with 6.5% being at risk of encountering Cat 3-strength (111 mph) winds or stronger.</p>	<p>The Company uses a third-party tool to conduct scenario analysis across its geographically distributed property portfolio and generate climate risk metrics, including potential financial impacts from climate-related events (e.g., physical damage, revenue disruption, and market effects), which insights support acquisition due diligence, portfolio management, investment and risk management decisions.</p>
<b>ACUTE TO CHRONIC HAZARD — FLOODING</b> <p>Changing precipitation patterns and rising sea levels are intensifying the frequency and severity of flooding (<b>pluvial, fluvial, and coastal</b>), which can result in: significant property damage, decreased property values, beach erosion, more severe storm surges, and increased operating and capital costs.</p> <p>These risks also contribute to higher insurance premiums, with the increased chance of coverage loss, and business disruptions; assets in FEMA flood zones and/or coastal properties are especially at risk.</p>	<b>SHORT TO LONG TERM*</b> <p>Our analysis using the SSP2-4.5 found that <b>2.3%</b> of our portfolio is at risk of flood damage (including sea-level rise-related) within the next five (<b>5</b>) years from a 1 in 100-year flood event and <b>2.9%</b> within 30 years.</p>	
<b>CHRONIC HAZARD — WILDFIRE</b> <p>Change in fire potential leading to severe damage and permanent loss of property, increased stress and damage to human health (air quality), damage to ecosystem services, increased insurance premiums (or loss of insurability), and business disruption.</p>	<b>MEDIUM TO LONG TERM*</b> <p><b>0.82%</b> of our portfolio is at risk of damage from wildfires; this is projected to increase to <b>2.0%</b> in 30 years according to our scenario analysis using SSP2-4.5.</p>	<p>The Company identifies potential risks through its portfolio management due diligence processes (acquisition, lease renewal, and property disposal). As part of this process, the Company assesses risk materiality to help determine the appropriate course of action.</p>
<b>CHRONIC HAZARD — HEAT STRESS</b> <p>Increases in temperature could lead to increased utility usage, increased fire risk, changes in reputation, interruptions and changes to operations, and changes in the desirability of a location.</p>	<b>MEDIUM TO LONG TERM*</b> <p><b>51.0%</b> of our portfolio are currently in areas at risk of heat stress; our scenario analysis using SSP2-4.5 has projected that amount to increase to <b>71.0%</b> in 30 years.</p>	
<b>CHRONIC HAZARD — WATER STRESS</b> <p>Changes in precipitation patterns driven by rising temperatures and changes in climate patterns could lead to increased utility usage, increased water stress, supply interruptions, changes and interruptions to businesses, reputational changes, changes in the demographics of the local communities and changes in the property desirability.</p>	<b>LONG TERM*</b> <p><b>37.8%</b> of our portfolio by GLA is currently in areas of high or extremely high water risk; our scenario analysis using SSP2-4.5 has projected that amount to increase to <b>42.8%</b> by 2050.</p>	<p>The Company is expanding energy and water usage data collection to support reporting and evaluate the impact of water and heat stress on the portfolio.</p>

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<p><b>TRANSITIONAL HAZARD — POLICY AND LEGAL</b></p> <p>Federal, state, and local regulations could affect the desirability of properties by imposing additional operating and capital costs associated with utilities, energy efficiency upgrades, building materials requirements, and building design changes. In addition, updated state and local regulations may require additional efforts be made to increase and/or update corporate sustainability reporting.</p>	<p><b>SHORT TO LONG TERM*</b></p> <p>The Company could experience increased disclosure requirements and evolving reporting and building construction requirements, which the Company will have to adapt to along with any associated costs and regulations.</p>	<p>The Company monitors the sustainability regulatory landscape, including requirements related to benchmarking, disclosure, and energy and water efficiency. The Corporate Sustainability Team, through the General Counsel, provides regular updates to the Board.</p> <p>Most properties in the portfolio are leased under long-term triple-net leases, under which tenants control improvements and sustainability initiatives. Many tenants are large companies with established sustainability programs (e.g., green building standards, emissions reduction, and recycling). Leases require compliance with applicable environmental laws and remediation obligations, and the risk management team monitors environmental conditions to support tenant compliance.</p>
<p><b>TRANSITIONAL HAZARD — TECHNOLOGY</b></p> <p>Increasing stakeholder and regulatory expectations may result in increasing priorities and technology investments to improve reporting, data gathering, and the energy &amp; water efficiency of assets.</p>	<p><b>SHORT TO LONG TERM*</b></p> <p>The Company could experience increased technology needs caused by increased disclosure requirements and is prepared to adapt to these needs and any associated costs.</p>	<p>The Company is focused on improving data gathering, analysis, and reporting through the use of technology, having acquired several tools that support reporting with reference to several frameworks (<b>GRI, SASB, TCFD</b>) and benchmark reporting against framework requirements and our industry peers. The Company continues to invest in technology to ensure compliance with reporting requirements and maintain alignment with best practices.</p>
<p><b>TRANSITIONAL HAZARD — MARKET</b></p> <p>The increasing regulatory and market expectations around sustainability practices and the transition to a low-carbon future could result in increased investment in updating assets, technology, analysis, and practices.</p>	<p><b>MEDIUM TO LONG TERM*</b></p> <p>The fluctuating costs of energy, construction, materials, and insurance in the areas the Company is active could affect property values and desirability for lease and acquisition.</p>	<p>The Company tracks evolving stakeholder expectations and adjusts sustainability practices, reporting, and activities.</p>
<p><b>TRANSITIONAL HAZARD — REPUTATION</b></p> <p>Shifts in consumer preferences, shifting views of business sectors, increasing scrutiny (from consumers, stakeholders, and governments), and increased attention on climate-related projects, activities, risks, and opportunities could lead to shifts in reputation.</p>	<p><b>MEDIUM TO LONG TERM*</b></p> <p>The reputation of the Company and its tenants could be impacted by shifts in consumer preferences, shifting views of its sector, increasing scrutiny of assets, and increased attention on climate-related projects, activities, risks, and opportunities.</p>	<p>“Green lease” language aligns landlord and tenant sustainability priorities and practices, and our building guidelines help projects meet expectations of local authorities. Our Corporate Sustainability (<b>CS</b>) Team tracks expectations and requirements related to sustainability practices and reporting and updates the CS program accordingly. Our board and leadership team also receive regular updates on trends and expectations.</p>

\*Short Term (0-7 years), Medium Term (7-15 years), Long Term (15+ years)